



FEDERAL TRADE COMMISSION

Agency Information Collection Activities; Submission for OMB Review; Comment

Request; Extension

AGENCY: Federal Trade Commission.

ACTION: Notice.

SUMMARY: The Federal Trade Commission (“FTC” or “Commission”) requests that the Office of Management and Budget (“OMB”) extend for an additional three years the current Paperwork Reduction Act (“PRA”) clearance for information collection requirements contained in the FTC’s Business Opportunity Rule (“Rule”). That clearance expires on January 31, 2024.

DATES: Comments must be filed by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Interested parties may file a comment online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to

www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review - Open for Public Comments” or by using the search function.

FOR FURTHER INFORMATION CONTACT: Christine M. Todaro, Attorney, Division of Marketing Practices, Bureau of Consumer Protection, 600 Pennsylvania Ave., N.W., CC-6316, Washington, DC 20580, (202) 326-3711, ctodaro@ftc.gov.

SUPPLEMENTARY INFORMATION:

Title of Collection: Disclosure Requirements Concerning Business Opportunities, 16 CFR part 437.

OMB Control Number: 3084-0142.

Type of Review: Extension without change of currently approved collection.

Abstract: The Business Opportunity Rule requires business opportunity sellers to furnish prospective purchasers a disclosure document that provides information regarding the seller, the seller's business, and the nature of the proposed business opportunity, as well as additional information to substantiate any claims about actual or potential sales, income, or profits for a prospective business opportunity purchaser. The seller must also preserve information that forms a reasonable basis for such claims.

The Rule is designed to ensure that prospective purchasers receive information to help them evaluate business opportunities. Sellers must disclose five key items of information in a simple, one-page document: (1) The seller's identifying information; (2) whether the seller makes a claim about the purchaser's likely earnings (and, if yes, the seller must provide information supporting any such claims); (3) whether the seller, its affiliates, or key personnel have been involved in certain legal actions (and, if yes, the seller must provide a separate list of those actions); (4) whether the seller has a cancellation or refund policy (and, if yes, the seller must provide a separate document stating the material terms of such policies); and (5) a list of persons who have purchased the business opportunity within the previous three years.

Misrepresentations and omissions are prohibited under the Rule, and for sales conducted in languages other than English, all disclosures must be provided in the language in which the sale is conducted.

Affected Public: Private Sector: Businesses and other for-profit entities.

Estimated Annual Burden Hours: 10,065.

Estimated Annual Labor Costs: \$792,518.

Estimated Annual Non-Labor Costs: \$3,361,014.

Request for Comment:

On August 2, 2023, the FTC sought public comment on the information collection requirements associated with the Rule. 88 FR 50865 (Aug. 2, 2023). No relevant comments were received during the public comment period. Pursuant to OMB regulations, 5 CFR part

1320, that implement the PRA, 44 U.S.C. 3501 *et seq.*, the FTC is providing this second opportunity for public comment while seeking OMB approval to renew the pre-existing clearance for the Rule. For more details about the Rule requirements and the basis for the calculations summarized below, see 88 FR 50865.

Your comment—including your name and your state—will be placed on the public record of this proceeding. Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, such as anyone’s Social Security number; date of birth; driver’s license number or other state identification number or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for ensuring that your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any “[t]rade secret or any commercial or financial information which is . . . privileged or confidential”—as provided in Section 6(f) of the FTC Act 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2)—including, in particular, competitively sensitive information, such as costs, sales statistics, inventories, formulas, patterns devices, manufacturing processes, or customer names.

Josephine Liu,

Assistant General Counsel for Legal Counsel.

[FR Doc. 2023-28898 Filed: 1/2/2024 8:45 am; Publication Date: 1/3/2024]